

AMENDED IN ASSEMBLY APRIL 28, 2010

AMENDED IN ASSEMBLY APRIL 13, 2010

AMENDED IN ASSEMBLY APRIL 12, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2633

Introduced by Assembly Member Davis

February 19, 2010

An act to amend Section 8880.56 of the Government Code, relating to the California State Lottery Commission.

LEGISLATIVE COUNSEL'S DIGEST

AB 2633, as amended, Davis. California State Lottery Commission: report.

Existing law requires the California State Lottery Commission to prepare and submit to the Legislature by October 1 of each year a report detailing the lottery's purchase of goods and services through the Department of General Services. Existing law ~~requires~~ also requires this report to include a listing of contracts awarded for more than \$100,000, and to provide specified information in this regard.

This bill would require ~~that~~ the report described above *to be submitted on a biannual basis, and to* include a list of each ~~advertising~~ *advertising* agency from which the commission has purchased services, how much the agency was paid, and what specific services the agency provided. The bill would also reduce the threshold amount of a contract that is required to be listed in the report from \$100,000 to \$10,000.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 8880.56 of the Government Code is amended to read:

8880.56. (a) Notwithstanding other provisions of law, the director may purchase or lease goods and services as are necessary for effectuating the purposes of this chapter. The director may not contract with any private party for the operation and administration of the California State Lottery, created by this chapter. However, this section does not preclude procurements which integrate functions such as game design, supply, advertising, and public relations. In all procurement decisions, the director shall, subject to the approval of the commission, award contracts to the responsible supplier submitting the lowest and best proposal that maximizes the benefits to the state in relation to the areas of security, competence, experience, and timely performance, shall take into account the particularly sensitive nature of the California State Lottery and shall act to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the lottery and the objective of raising net revenues for the benefit of the public purpose described in this chapter.

(b) Notwithstanding any other provision of this chapter, the following shall apply to contracts or procurement by the lottery:

(1) To ensure the fullest competition, the commission shall adopt and publish competitive bidding procedures for the award of any procurement or contract involving an expenditure of more than one hundred thousand dollars (\$100,000). The competitive bidding procedures shall include, but not be limited to, requirements for submission of bids and accompanying documentation, guidelines for the use of requests for proposals, invitations to bid, or other methods of bidding, and a bid protest procedure. The director shall determine whether the goods or services subject to this paragraph are available through existing contracts or price schedules of the Department of General Services.

(2) The contracting standards, procedures, and rules contained in this subdivision shall also apply with respect to any subcontract involving an expenditure of more than one hundred thousand dollars (\$100,000). The commission shall establish, as part of its bidding procedures for general contracts, subcontracting guidelines that implement this requirement.

1 (3) The provisions of Article 1 (commencing with Section
2 11250) of Chapter 3 of Part 1 of Division 3 apply to the
3 commission.

4 (4) The commission is subject to the Small Business
5 Procurement and Contract Act, as provided in Chapter 6.5
6 (commencing with Section 14835) of Part 5.5 of Division 3.

7 (5) In advertising or awarding any general contract for the
8 procurement of goods and services exceeding five hundred
9 thousand dollars (\$500,000), the commission and the director shall
10 require all bidders or contractors, or both, to include specific plans
11 or arrangements to utilize subcontracts with socially and
12 economically disadvantaged small business concerns. The
13 subcontracting plans shall delineate the nature and extent of the
14 services to be utilized, and those concerns or individuals identified
15 for subcontracting if known.

16 It is the intention of the Legislature in enacting this section to
17 establish as an objective of the utmost importance the advancement
18 of business opportunities for these small business concerns in the
19 private business activities created by the California State Lottery.
20 In that regard, the commission and the director shall have an
21 affirmative duty to achieve the most feasible and practicable level
22 of participation by socially and economically disadvantaged small
23 business concerns in its procurement programs.

24 By July 1, 1986, the commission shall adopt proposal evaluation
25 procedures, criteria, and contract terms which are consistent with
26 the advancement of business opportunities for small business
27 concerns in the private business activities created by the California
28 State Lottery and which will achieve the most feasible and
29 practicable level of participation by socially and economically
30 disadvantaged small business concerns in its procurement
31 programs. The proposal evaluation procedures, criteria, and
32 contract terms adopted shall be reported in writing to both houses
33 of the Legislature on or before July 1, 1986.

34 For the purposes of this section, socially and economically
35 disadvantaged persons include women, Black Americans, Hispanic
36 Americans, Native Americans (including American Indians,
37 Eskimos, Aleuts, and Native Hawaiians), Asian-Pacific Americans
38 (including persons whose origins are from Japan, China, the
39 Philippines, Vietnam, Korea, Samoa, Guam, the United States
40 Trust Territories of the Pacific, Northern Marianas, Laos,

1 Cambodia, and Taiwan), and other minorities or any other natural
2 persons found by the commission to be disadvantaged.

3 The commission shall report to the Legislature by July 1, 1987,
4 and by each July 1 thereafter, on the level of participation of small
5 businesses, socially and economically disadvantaged businesses,
6 and California businesses in all contracts awarded by the
7 commission.

8 ~~(6) The commission shall prepare and submit to the Legislature~~
9 ~~by October 1 of each year~~

10 *(6) Notwithstanding Section 10231.5, the commission shall, on*
11 *a biannual basis, prepare and submit to the Legislature, by April*
12 *1 and October 1 of each year, a report detailing the lottery's*
13 *purchase of goods and services through the Department of General*
14 *Services. The report shall also include, but not be limited to, a*
15 *listing of contracts awarded for more than ten thousand dollars*
16 *(\$10,000), the name of the contractor, amount and term of the*
17 *contract, and the basis upon which the contract was awarded. The*
18 *report shall further include a list of each ~~advertising~~ advertising*
19 *agency from which the commission has purchased services, how*
20 *much the agency was paid, and what specific services the agency*
21 *provided. If the ~~advertising~~ advertising agency subcontracted to*
22 *another agency, that agency shall be listed and the specific services*
23 *that the agency provided shall be enumerated. The report submitted*
24 *pursuant to this subdivision shall be submitted in compliance with*
25 *Section 9795.*

26 The lottery shall fully comply with the requirements of
27 paragraphs (2) to (5), inclusive, except that any function or role
28 which is otherwise the responsibility of the Department of Finance
29 or the Department of General Services shall instead, for purposes
30 of this subdivision, be the sole responsibility of the lottery, which
31 shall have the sole authority to perform that function or role.